# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

STARRED QUESTION NO:12
ANSWERED ON:17.10.2008
DEBT WAIVER SCHEME
Malhotra Prof. Vijay Kumar;Thomas Shri P.C.

**Will the Minister of FINANCE be pleased to state:**

(a) the criteria adopted by the Government for waiving off bank loans of farmers;

(b) the number of farmers benefited under the scheme and the amount of loan waived off so far, State-wise;

(c) whether the loans taken by the small and marginal farmers before 31 March, 2007 and unpaid till 2 February, 2008 are covered under the scheme/criteria;

(d) if not, whether the Government proposes to amend the above criteria to include such farmers;

(e) whether the long term loans availed of by farmers are liable to get the benefit of this scheme;

(f) if so, the details thereof;

(g) whether many farmers have lost eligibility due to the book adjustment made by several banks;

(h) if so, the details thereof and the reasons therefor; and

(i) the time by which the process of waiving off loan would be completed?

## Answer

THE MINISTER OF FINANCE (SHRI P.CHIDAMBARAM)

(a) to (i) : A Statement is laid on the Table of the Lok Sabha.

Statement referred to in reply to Parts (a) to
(i) of Lok Sabha Starred Question No. 12 to be answered on 17th October, 2008, regarding Debt Waiver Scheme, tabled by Shri P.C. Thomas and Prof. Vijay Kumar Malhotra.

(a) to (d) : The Finance Minister, in his Budget Speech for 2008-09, announced the Agricultural Debt Waiver and Debt Relief Scheme, 2008 for farmers, which stipulates as follows:-

(i) All agricultural loans disbursed by Scheduled Commercial Banks, Regional Rural Banks and Cooperative Credit Institutions up to March 31, 2007 and overdue as on December 31, 2007 are covered under the scheme.

(ii) For marginal farmers (i.e. holding upto 1 hectare) and small farmers (1-2 hectare), there is a complete waiver of all loans that were overdue on December 31, 2007 and which remained unpaid until February 29, 2008. In respect of other farmers, there is a One Time Settlement (OTS) Scheme for all loans that were overdue on December 31, 2007 and which remained unpaid until February 29, 2008. Under the OTS, a rebate of 25 per cent is to be given against payment of the balance of 75 per cent.

As of now, there is no proposal to amend this Scheme. The number of farmers benefited under the scheme and the eligible amount of debt waiver and debt relief, State-wise, is annexed.

(e) to (h) : Yes, Sir. The investment loans, i.e. long term loans, availed of by the farmers are also covered under the Scheme. The installments of such loans that are overdue (together with applicable interest on such instalments) are covered if the loan was disbursed during the period 01st April, 1997 to March 31, 2007 and overdue as on December 31, 2007 and remaining unpaid until February 29, 2008. Besides, the Government of India, through the special packages announced in 2004 and 2006, provided a facility to the farmers wherein their overdue loans were restructured/rescheduled and they were made eligible for fresh loans. The current Scheme covered all such restructured agricultural loans and also such loans restructured in the normal course as per Reserve Bank of India Guidelines. In other words, all loans disbursed prior to 01.04.1997 and restructured thereafter are covered under the Scheme.

(i) : The Scheme has been implemented by its due date i.e. 30th June, 2008.